



Department of Medical Assistance Services  
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[www.dmas.state.va.us](http://www.dmas.state.va.us)

# MEDICAID PROVIDER MANUAL UPDATE

**TO:** All Providers of Pharmacy Services participating in the Virginia Medical Assistance Program, Health Maintenance Organizations providing services to Virginia Medicaid recipients, and all holders of the *Pharmacy* provider manual

**UPDATE:** RX-01-02

**FROM:** Patrick W. Finnerty, Director  
Department of Medical Assistance Services

**DATE:** 8/29/2002

**SUBJECT:** Update to Second Edition of the *Pharmacy* provider manual

The purpose of this memorandum is to provide revised pages for Chapter II, Chapter IV, Chapter V, and Chapter VI of your *Pharmacy* provider manual. The attached table shows the changes to the manual. Please insert the new pages and retain the attached table.

The amendments to Chapter II: (1) include formatting changes; (2) update the information on Reconsideration and Appeals of Adverse Actions including that repayment and interest will not apply pending appeal; (3) update the Table of Contents for the "Exhibits" section; and (4) update the Pharmacy Participation Agreement.

The amendments to Chapter IV include the following, which are effective for dates of service on or after July 1, 2002: (1) update the reference price for Virginia Medicaid Pharmacy reimbursement for claims to be based on Average Wholesale Price (AWP) minus 10.25%; (2) as a general rule, Virginia Medicaid Pharmacy claims will require submission of no more than a 34-day supply and any claims greater than 34-day supply will be denied; (3) Virginia Medicaid Pharmacy Point-of-Sale claims will receive an alert message for recipients with other third party coverage, and if a recipient record shows other coverage on the date of service, Medicaid claims will deny upon the first submission; and (4) the Anti-Hemophilia Factor will be priced according to guidelines for best pricing established by DMAS after review of market factors and appropriate volume purchasing discounting, and will be reimbursed only to providers participating in this contractual program.

The amendments to Chapter V: (1) update the information on the replenishment of billing materials and delete the sample Request for Billing Supplies (DMAS-160 R 3/200) and the Department of Medical Assistance Services Request for Forms/Brochures (DMAS 161 R 4/13/2002) forms from the "Exhibits" section; (2) add information that, effective July 1, 2002, DMAS will utilize a new form for claims related to Pharmacy services (note that a transition period has been developed to allow providers the opportunity

to use up old paper forms and become accustomed to the new one); (3) update the definition of the Virginia Maximum Allowable Cost which shall be based on the availability in Virginia of generic drugs which meet three criteria (effective July 1, 2002); and (4), revise the copayment amounts for generic drug and "brand necessary" products (effective September 1, 2002).

The entire Chapter VI has been revised to include the current policies for utilization review and control.

Please review these changes carefully.

### **COPIES OF MANUALS**

The Department of Medical Assistance Services (DMAS) publishes searchable and printable copies of its provider manuals on the Internet. Please visit the DMAS website at [www.dmas.state.va.us](http://www.dmas.state.va.us) and click on "Provider Manuals." The website contains instructions about how to search or print the manuals. The Internet is the fastest way to receive new manual information.

### **"HELPLINE"**

The "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The "HELPLINE" numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the "HELPLINE" is for provider use only.

Attachment (1)

***PHARMACY MANUAL***  
**REVISION CHART**  
**August 29, 2002**  
**SUMMARY OF REVISIONS**

<b>MANUAL SECTION</b>	<b>MATERIAL REVISED</b>	<b>NEW PAGE NUMBER(S)</b>	<b>REVISED PAGE(S)</b>	<b>REVISION DATE</b>
Chapter II	Entire Chapter		Entire Chapter	8/29/02
Chapter IV	Table of Contents, Pages 1-8, 13, and 15-32	8.1	Table of Contents, Pages 1-8, 13, and 15-32	8/29/02
Chapter V	Entire Chapter		Entire Chapter	8/29/02
Chapter VI	Entire Chapter		Entire Chapter	8/29/02

**FILING INSTRUCTIONS**

<b>MANUAL SECTION</b>	<b>DISCARD</b>	<b>INSERT</b>	<b>OTHER INSTRUCTIONS</b>
Chapter II	Old Chapter II	New Chapter II	
Chapter IV	Table of Contents, Pages 1-8, 13, and 15-32	New Table of Contents, Pages 1-8.1, 13, and 15-32	
Chapter V	Old Chapter V	New Chapter V	
Chapter VI	Old Chapter VI	New Chapter VI	